

Washington D.C. (April 20, 2009) – Following a relentless effort by Congressman Dennis Kucinich (D-OH) to challenge the Bush administration's efforts to privatize Defense Finance and Accounting Services (DFAS) jobs since 2001, DFAS today announced that it will cancel agreements with Lockheed Martin and employ government workers to perform all areas of retroactive pay and benefits for veterans.

"This is a great day for veterans and a victory for government oversight. This decision will finally end the six-year nightmare of privatization of retired and annuitant pay services that resulted in the degradation of services to veterans and an increased cost to taxpayers. I thank Director McKay and Comptroller Robert Hale for their choice to serve veterans first, rather than perpetuate a lucrative contract with the nation's largest military contractor," stated Kucinich

Lockheed's performance of the retired and annuitant pay functions of DFAS was characterized by mishandling, delay, poor quality and exorbitant charges. An investigation by Chairman Kucinich's Domestic Policy Subcommittee published in July 2008 revealed that 8,763 disabled veterans died before their cases were even reviewed for eligibility in a program that allowed retired veterans with severe combat-related disabilities to receive concurrent disability and retirement pay. Almost 30,000 veterans were denied the benefit based solely on the determination of Lockheed employees with about six weeks of training.

At a Subcommittee hearing, then-director Zack Gaddy promised Chairman Kucinich a thorough audit of the VA Retro program, and correction of the underlying problems. DFAS' announcement today stems from that assurance.

Lockheed is the world's largest military contractor, with almost all of its revenue coming from the U.S. government. Aside from payroll and other services, Lockheed also manufactures the F-22 Raptor, F-35 Lightning and the THAAD missile defense system.

"I am very pleased that DFAS will once again ensure quality service by operating this program 'in house' with trained and qualified staff. I hope that this experiment in privatization will demonstrate to other agencies the costs, both financial and otherwise, of outsourcing the responsibilities of government," stated Kucinich. "As Chairman of the Domestic Policy Subcommittee, I will continue to review privatization efforts of the Bush Administration."

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